

Introduced by Senator Nielsen

February 27, 2015

An act to add Chapter 5.2 (commencing with Section 11530) to Part 1 of Division 3 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 606, as introduced, Nielsen. Small Business Appeals Board.

Existing law sets forth procedures generally for the administrative review of the regulatory activities of state agencies.

This bill would establish the Small Business Appeals Board in state government composed of 5 board members, as specified. The bill would authorize the board, at its discretion, to grant a hearing and review the order, ruling, action, or failure to act of any state agency, except a state taxing agency, upon the petition of any small business affected by the order, ruling, action, or failure to act. The bill would authorize the board to grant any remedy and impose any penalty authorized under existing law governing administrative procedures. The bill would authorize any other administrative body with jurisdiction over the matter to take the board's disposition into account in making its own determination on the matter. The bill would make findings and declarations in support of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 5.2 (commencing with Section 11530) is added to Part 1 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 5.2. SMALL BUSINESS APPEALS BOARD

11530. The Legislature finds and declares all of the following:

(a) Small businesses are the backbone of the California economy and are essential to the state's prospective vitality.

(b) An often complicated and sometimes arbitrary state regulatory system has impeded the growth of some enterprises and has caused a perception that California is a hard place to do business. Often, small businesses are overwhelmed with red tape and agencies that stress formalities over substance.

11530.5. To allow California's small businesses to have a forum for appeal of what may appear to be a slow or overzealous bureaucracy, the Small Business Appeals Board is hereby established in state government.

11530.10. For purposes of this chapter, "small business" means an entity that meets either of the following criteria:

(a) Its gross receipts are less than ten million dollars (\$10,000,000) annually.

(b) It has fewer than 100 employees.

11530.15. (a) The Small Business Appeals Board shall be composed of five members, as follows:

(1) An individual appointed by the Governor, who shall serve as chair.

(2) A retired judge appointed by the Chief Justice of the California Supreme Court.

(3) A representative of the office of the Attorney General.

(4) Two public members with extensive experience in the operation of small businesses, one to be appointed by the President pro Tempore of the Senate and one to be appointed by the Speaker of the Assembly.

(b) Board members shall not receive compensation, but board members not serving in their official capacity may receive per diem and actual expenses.

1 (c) The board shall meet at least once per month and shall
2 commence operations beginning the January after the appointment
3 of all board members and the appropriation of funds for its support.
4 The board may employ legal and administrative staff for the
5 purposes of this chapter.

6 11530.20. (a) Except as provided in subdivision (c), the board
7 may, at its discretion, grant a hearing and review the order, ruling,
8 action, or failure to act of any state agency, upon the petition of
9 any small business affected by the order, ruling, action, or failure
10 to act. The board may grant any remedy and impose any penalty
11 authorized under existing law governing administrative procedures.
12 Any other administrative body with jurisdiction over the matter
13 may take the board's disposition into account in making its own
14 determination on the matter.

15 (b) A small business may petition the board pursuant to this
16 chapter regardless of whether it has exhausted its other
17 administrative remedies. A decision of the board to grant or deny
18 a hearing under this chapter shall not be subject to administrative
19 review.

20 (c) This chapter shall not apply to any taxing agency of the state.